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9 **UNITED STATES BANKRUPTCY COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11 **SAN FRANCISCO DIVISION**

12 **In re:**

13 **PG&E CORPORATION,**

14 **- and -**

15 **PACIFIC GAS AND ELECTRIC**
16 **COMPANY,**

17 **Debtors.**

- 18 ☐ Affects PG&E Corporation
19 ☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

20 ** All papers shall be filed in the Lead Case, No.*
21 *19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**REORGANIZED DEBTORS' FIFTEENTH
OMNIBUS OBJECTION TO CLAIMS
(SATISFIED CLAIMS)**

Response Deadline:
October 14, 2020, 4:00 p.m. (PT)

Hearing Information If Timely Response Made:

Date: October 28, 2020

Time: 10:00 a.m. (Pacific Time)

Place: (Telephonic Appearances Only)

United States Bankruptcy Court

Courtroom 17, 16th Floor

San Francisco, CA 94102

1 **TO: (A) THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY**
2 **JUDGE; (B) THE OFFICE OF THE UNITED STATES TRUSTEE; (C) THE AFFECTED**
3 **CLAIMANTS; AND (D) OTHER PARTIES ENTITLED TO NOTICE:**

4 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as
5 debtors and reorganized debtors (collectively, “**PG&E**” or the “**Debtors**” or as reorganized pursuant to
6 the Plan (as defined below), the “**Reorganized Debtors**”) in the above-captioned chapter 11 cases (the
7 “**Chapter 11 Cases**”) hereby submit this fifteenth omnibus objection (the “**Objection**”) to the claims
8 identified in the column headed “Claims To Be Disallowed and Expunged” on **Exhibit 1** annexed hereto.

9 **I. JURISDICTION**

10 This Court has jurisdiction over this Objection under 28 U.S.C. §§ 157 and 1334; the *Order*
11 *Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.); and
12 Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern
13 District of California (the “**Bankruptcy Local Rules**”). This matter is a core proceeding pursuant to 28
14 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The
15 statutory predicates for the relief requested are section 502 of Title 11 of the United States Code (the
16 “**Bankruptcy Code**”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (collectively, the
17 “**Bankruptcy Rules**”).

18 **II. BACKGROUND**

19 On January 29, 2019 (the “**Petition Date**”), the Debtors commenced with the Court voluntary
20 cases under chapter 11 of the Bankruptcy Code. Prior to the Effective Date (as defined below), the
21 Debtors continued to operate their businesses and manage their properties as debtors in possession
22 pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner was appointed
23 in either of the Chapter 11 Cases. The Debtors’ Chapter 11 Cases are being jointly administered for
24 procedural purposes only pursuant to Bankruptcy Rule 1015(b).

25 On February 12, 2019, the United States Trustee (the “**U.S. Trustee**”) appointed an Official
26 Committee of Unsecured Creditors (the “**Creditors Committee**”). On February 15, 2019, the U.S.
27 Trustee appointed an Official Committee of Tort Claimants (the “**Tort Claimants Committee**” and,
28 together with the Creditors Committee, the “**Committees**”).

1 Additional information regarding the circumstances leading to the commencement of the Chapter
2 11 Cases and information regarding the Debtors' businesses and capital structure is set forth in the
3 *Amended Declaration of Jason P. Wells in Support of the First Day Motions and Related Relief* [Docket
4 No. 263].

5 On July 1, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 502(b)(9) and 105(a),*
6 *Fed. R. Bankr. P. 2002, 3003(c)(3), 5005, and 9007, and L.B.R. 3003-1 (I) Establishing Deadline for*
7 *Filing Proofs of Claim, (II) Establishing the Form and Manner of Notice Thereof, and (III) Approving*
8 *Procedures for Providing Notice of Bar Date and Other Information to All Creditors and Potential*
9 *Creditors* [Docket No. 2806] (the "**Bar Date Order**"). The Bar Date Order set the deadline to file all
10 proofs of claim (each, a "**Proof of Claim**") in respect of any prepetition claim (as defined in section
11 101(5) of the Bankruptcy Code), including all claims of Fire Claimants (as defined therein), Wildfire
12 Subrogation Claimants (as defined therein), Governmental Units (as defined in section 101(27) of the
13 Bankruptcy Code), and Customers, and for the avoidance of doubt, including all secured claims and
14 priority claims, against either of the Debtors as October 21, 2019 at 5:00 p.m. Pacific Time (the "**Bar**
15 **Date**"). The Bar Date later was extended solely with respect to unfiled, non-governmental Fire
16 Claimants to December 31, 2019 [Docket No. 4672]¹; and subsequently with respect to certain claimants
17 that purchased or acquired the Debtors' publicly held debt and equity securities and may have claims
18 against the Debtors for rescission or damages to April 16, 2020 [Docket No. 5943].

19 By Order dated June 20, 2020 [Dkt. No. 8053], the Bankruptcy Court confirmed the *Debtors'*
20 *and Shareholder Proponents' Joint Chapter 11 Plan of Reorganization Dated June 19, 2020* (as may be
21 further modified, amended or supplemented from time to time, and together with any exhibits or
22 scheduled thereto, the "**Plan**"). The Effective Date of the Plan occurred on July 1, 2020 (the "**Effective**
23 **Date**"). See Dkt. No. 8252.

24 **III. RELIEF REQUESTED**

25 The Reorganized Debtors file this Objection, pursuant to section 502 of the Bankruptcy Code,
26 Bankruptcy Rule 3007(d)(5), Bankruptcy Local Rule 3007-1, and the *Order Approving (A) Procedures*

27 ¹ The claims of Fire Claimants will be administered through the Fire Victim Trust and the claims of
28 Wildfire Subrogation Claimants through the Subrogation Wildfire Trust in accordance with the Plan.

1 *for Filing Omnibus Objections to Claims and (B) the Form and Manner of the Notice of Omnibus*
2 *Objections*, dated June 30, 2020 [Docket No. 8228] (the “**Omnibus Objections Procedures Order**”),
3 seeking entry of an order disallowing claims that the Reorganized Debtors have determined were
4 satisfied or released during or prior to the commencement of these Chapter 11 Cases in accordance with
5 the Bankruptcy Code, any applicable rules, or Court orders (the “**Satisfied Claims**”). The Satisfied
6 Claims are identified on **Exhibit 1**, in the columns headed “Claims To Be Disallowed and Expunged.”
7 **Exhibit 1** also identifies in the “Basis for Objection” that the Satisfied Claims are classified as either (1)
8 “Cure Payments,” referring to Claims paid in their entirety as a cure as part of the assumption of an
9 executory contract or unexpired leased that was assumed on the Effective Date pursuant to the Plan and
10 Confirmation Order or (2) “Other Satisfied,” referring to claims that have otherwise been satisfied prior
11 to or during the pendency of these Chapter 11 Cases, in most cases by payments pursuant to an order
12 granting one of the Debtors’ first day motions. The Reorganized Debtors request that the Satisfied
13 Claims be disallowed and expunged.

14 **IV. ARGUMENT**

15 **A. The Satisfied Claims Should be Disallowed**

16 Bankruptcy Rule 3007 permits a debtor to object to more than one claim if “they have been
17 satisfied or released during the case in accordance with the Code, applicable rules, or a court order.”
18 Fed. R. Bankr. P. 3007(d)(5). Bankruptcy Rule 3007(e) requires that an omnibus objection must list the
19 claimants alphabetically and by cross-reference to claim numbers. Each of the Satisfied Claims
20 identified on **Exhibit 1** has been satisfied prior to or over the course of the Chapter 11 Cases.

21 Each of the Claimants is listed alphabetically, and the claim number and amount are identified
22 in accordance with Bankruptcy Rule 3007(e). Furthermore, in accordance with the Omnibus Objections
23 Procedures Order, the Reorganized Debtors have sent individualized notices to the holders of each of
24 the Satisfied Claims. The Reorganized Debtors request that the Court disallow the Satisfied Claims in
25 their entirety.

26 **B. The Claimants Bear the Burden of Proof**

27 A filed proof of claim is “deemed allowed, unless a party in interest . . . objects.” 11 U.S.C.
28

1 § 502(a).² Section 502(b)(1) of the Bankruptcy Code, however, provides in relevant part that a claim
2 may not be allowed if “such claim is unenforceable against the debtor and property of the debtor, under
3 any agreement or applicable law.” 11 U.S.C. § 502(b)(1). Once the objector raises “facts tending to
4 defeat the claim by probative force equal to that of the allegations of the proofs of claim themselves,”
5 *Wright v. Holm (In re Holm)*, 931 F.2d 620, 623 (9th Cir. 1991), quoting 3 L. King, *Collier on*
6 *Bankruptcy* § 502.02 at 502-22 (15th ed. 1991), then “the burden reverts to the claimant to prove the
7 validity of the claim by a preponderance of the evidence,” *Ashford v. Consolidated Pioneer Mortgage*
8 *(In re Consolidated Pioneer Mortgage)* 178 B.R. 222, 226 (B.A.P. 9th Cir. 1995) (quoting *In re*
9 *Allegheny Int’l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992)), *aff’d without opinion* 91 F.3d 151 (9th Cir.
10 1996). “[T]he ultimate burden of persuasion is always on the claimant.” *Holm*, 931 F.2d at 623 (quoting
11 King, *Collier on Bankruptcy*); *see also Lundell v. Anchor Constr. Specialists, Inc.*, 223 F.3d 1035, 1039
12 (9th Cir. 2000), *Spencer v. Pugh (In re Pugh)*, 157 B.R. 898, 901 (BAP 9th Cir. 1993); *In re Fidelity*
13 *Holding Co.*, 837 F.2d 696, 698 (5th Cir. 1988).

14 As set forth above, the Reorganized Debtors submit that the Satisfied Claims already have been
15 satisfied prior to or over the course of the Chapter 11 Cases and, therefore, should be disallowed. If any
16 Claimant believes that a Satisfied Claim has not been satisfied in full, it must present affirmative
17 evidence demonstrating the validity of that claim.

18 **V. RESERVATION OF RIGHTS**

19 The Reorganized Debtors hereby reserve the right to object, as applicable, in the future to any of
20 the claims listed in this Objection on any ground, and to amend, modify, or supplement this Objection
21 to the extent an objection to a claim is not granted, and to file other objections to any proofs of claims
22 filed in these cases, including, without limitation, objections as to the amounts asserted therein, or any
23 other claims (filed or not) against the Debtors, regardless of whether such claims are subject to this
24 Objection. A separate notice and hearing will be scheduled for any such objections. Should the grounds
25 of objection specified herein be overruled or withdrawn, wholly or in part, the Reorganized Debtors
26 reserve the right to object to the Satisfied Claims on any other grounds that the Reorganized Debtors

27 ² Under Section 7.1 of the Plan, the Reorganized Debtors have until 180 days after the Plan’s Effective
28 Date to bring objections to claims, which deadline may be extended by the Court.

1 may discover or deem appropriate.

2 **VI. NOTICE**

3 Notice of this Objection will be provided to (i) holders of the Satisfied Claims; (ii) the Office of
4 the U.S. Trustee for Region 17 (Attn: Andrew R. Vara, Esq. and Timothy Laffredi, Esq.); (iii) counsel
5 to the Creditors Committee; (iv) counsel to Tort Claimants Committee; (v) all counsel and parties
6 receiving electronic notice through the Court's electronic case filing system; and (vi) those persons who
7 have formally appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule
8 2002. The Reorganized Debtors respectfully submit that no further notice is required. No previous
9 request for the relief sought herein has been made by the Reorganized Debtors to this or any other Court.

10 WHEREFORE the Reorganized Debtors respectfully request entry of an order granting (i) the
11 relief requested herein as a sound exercise of the Reorganized Debtors' business judgment and in the
12 best interests of their estates, creditors, shareholders, and all other parties interests, and (ii) such other
13 and further relief as the Court may deem just and appropriate.

14 Dated: September 17, 2020

KELLER BENVENUTTI KIM LLP

15 By: /s/ Peter J. Benvenuti
16 Peter J. Benvenuti

17 *Attorneys for Debtors and Reorganized Debtors*
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